



2016 Annual Report

Board of Commissioners

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Perri Gardner
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Bob Richards
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Staff

Nathan Murray- Executive Director
Lorrie Bauer- Administrative
Phil Kushlan –Interim Executive Director (Feb-Sept) and
Transition Support (contract)

This Annual Report is prepared pursuant to Title 50, Chapter 2006 (c) Idaho Code:

An agency authorized to transact business and exercise powers under this chapter shall file, with the local governing body, on or before March 31 of each year a report of its activities for the preceding calendar year, which report shall include a complete financial statement setting forth its assets, liabilities, income and operating expense as of the end of such calendar year. The agency shall be required to hold a public meeting to report these findings and take comments from the public. At the time of filing the report, the agency shall publish in a newspaper of general circulation in the community a notice to the effect that such report has been filed with the municipality and that the report is available for inspection during business hours in the office of the city clerk or county recorder and in the office of the agency.

Agency Activities for 2016

Clif Bar

On August 30, 2016, Clif Bar & Company celebrated the opening of its \$90 million bakery, a one-of-a-kind sustainability-focused facility. Key components to the project include the following:



- 300,000 square-foot original biophilic design;
- 200 windows, vaulted skylights and light-directed solatubes;
- Interior walls of recycled barnwood, natural stone, and an indoor/outdoor events auditorium;
- Outdoor patios and break areas with 570 trees, 5700 shrubs, bike/footpath and organic community garden;
- 20% less energy use than conventional bakery with 100% generated from renewable energy credits.

Agency activities in support of the Clif Bar project during 2016 included:

- Western Financial Group (WFG) hired to act as the Municipal Advisor to the Twin Falls Urban Renewal Agency on a Private Loan between Clif Bar and the Agency to complete the remaining public infrastructure projects;
- Construction management and direct work costs for landscaping, irrigation, asphalt, curb and gutter, storm water, private utilities, sanitary sewer and sidewalk;
- The bonds authorized by the Board for the Clif Bar Project were successfully closed on July 1, 2016.



Main Avenue

Main Avenue was the subject of significant financial investment and time by the URA Board and Staff during this past year. Working closely with designers, contractors, engineers and downtown stakeholders, final plans for the Main Avenue redesign are complete and have

gone out to bid. The URA hired CH2M to function as the owner's representative and maintain cost compliance and schedules. Guho Construction of Boise was hired as the Construction Manager/General Contractor to build the project.

The Main Avenue Renaissance project is based upon the desire to establish a pedestrian – friendly area with high standards for amenities that will encourage people to come to the downtown area for shopping, commerce and socialization. TFURA has worked closely with property and business owners and through various committees in creating an exciting design that balances various interests in the area. The Downtown Arts Subcommittee, previously established by the TFURA Board, has advised on various aesthetic aspects of the Main Avenue Project to enhance the sense of place for Twin Falls.

So far, the project is on schedule and under budget. Construction is set to begin spring 2017 with completion in the fall.



City Hall Project Coordination

In 2015, it was announced that Twin Falls City would repurpose the old Banner Furniture Building located at 201 Main Ave East as the site of its new City Hall. Construction of City Hall began in fall 2016. Mutually dependent aspects of the Main Avenue and City Hall projects are being closely coordinated to ensure the most efficient and effective use of public resources. Examples of cooperation between the City and URA in 2016 include the following:

- Removal of the URA owned Rogerson Hotel at the corner of Main Ave and Hansen St by the City Hall Contractor, Starr Corp, for creation of a new commons plaza for gathering and festival activities;

- Main Avenue designer Otak Architecture and Engineering preparing design and bid documents for construction by Starr Corp;
- Shared staging and coordinated scheduling for the planned construction along Hansen Street.



135 5th Ave So. (GemStone Climbing Center)

Sale of this TFURA owned property, located in the Old Town area, was finalized in September, 2016. The 12,500 sf lot will be developed in conformance with a previously issued RFP response and be occupied by GemStone Climbing Center. Per an agreement, the TFURA is making the following improvements to the lot; 1) pave the unfinished section of the alley adjacent to the site, 2) construct sidewalk, curb and gutter adjacent to the site along Shoshone Street and along 5th Ave S, and 3) stripe parking spaces on both sides of 5th Avenue South between Shoshone and Hansen Streets to create up to 42 spaces.



This project will provide needed private investment in this area, but more importantly it will provide a venue drawing people to the area for recreational purposes thus enhancing the vitality of the entire area. Construction of the facility underway and anticipated to be complete in fall, 2017.

2nd Avenue Parking Lot (former Goold Mechanical)

In September, 2016, the TFURA acquired three lots at 229-241 2nd Ave North to improve parking in the area and assist Main Avenue construction operations for the downtown community. The agency obtained a special-use permit for the parking and spent an additional \$28,000 on top of land acquisition to grade, pave and add electrical capability to the lot.



Downtown Housing

The interest in providing housing in downtown Twin Falls continues. Various concepts have been discussed but all represent housing types and densities not previously experienced in Twin Falls. The proximity to the Main Avenue and City Hall project focuses interest in downtown. This suggests that the benefits of Agency investment in this project go far beyond the confines of the project itself. We look forward to continued dialogue with interested parties and facilitating their consideration in any manner within our authority.

Financial Statements

Table 1
Statement of Net Position
As of September 30, 2015 and 2016

	<u>2015</u>	<u>2016</u>	Percentage Change 2015-2016
Current & Other Assets	\$18,748,589	\$7,613,235	-59.39%
Capital Assets	24,138,051	20,950,313	-13.21%
Total Assets	42,886,640	28,563,548	-33.40%
Long-term Debt Outstanding	34,168,139	45,653,139	33.61%
Other Liabilities	22,634,581	18,119,705	-19.95%
Total Liabilities	56,802,720	63,772,844	12.27%
Net Investment in Capital Assets	10,021,597	11,532,950	15.08%
Restricted and Unrestricted	23,937,677	(46,742,246)	95.27%
Total Net Position	\$13,916,080	\$(35,209,296)	153.01%

Statement of Net Position

The Statement of Net Position reports on the assets and liabilities of the Agency. Notable changes in Net Position value are typically the result of large debt service payments; the timing of large public improvement projects; or the purchase, sale, or contribution of capital assets. This year most of the dynamic changes seen can be attributed to Agency Support toward construction of the new Clif Bar Bakery Facility. The Agency's share of the Clif Bar construction is being funded with advances provided by Clif Bar. This year that total increased \$7,300,000. During the year \$13,670,000 of cumulative Clif Bar advances were converted to a long-term bond. Payments on that bond and the repayment of the remaining advance balance will be made out of future property tax payments made by Clif Bar to the Agency.

The Agency is also beginning the initial phases of construction on a project of improvement and rehabilitation around the downtown area of Twin Falls. Funding of for those improvements will be provided from future property tax revenues of the revenue allocation area; a new \$5,000,000 bond provided by Washington Federal; and an additional funding committed from First Federal Bank.

The Agency inventories project costs and then reflects the contribution of those project costs as an investment in the community's development the year completed. Joint projects that are completed on another's property, which the Agency does not take title to are expensed when incurred.

Table 2
Statement of Activities
For Years Ended September 30, 2015 and 2016

	2015	2016	Percentage Change 2015-2016
Charges for Services - Rent	\$435,162	\$442,258	1.63%
Property Tax Increment	8,357,193	8,719,955	4.34%
Investment Earnings	12,246	20,808	69.92%
Total Revenue	8,804,601	9,183,021	4.30%
General Government	250,814	231,690	-7.62%
Rental Property Expenses	302,568	255,612	-15.52%
Community Development	2,770,820	27,358,915	887.39%
Interest on Long-Term Debt	1,966,631	2,630,021	33.73%
Total Expenses	5,290,833	30,476,238	476.02%
Increase (Decrease) in Net Assets	3,513,768	(21,293,217)	-705.99%
Net Position - Beginning	(17,429,848)	(13,916,079)	-20.16%
Net Position - Ending	\$(13,916,080)	\$(35,209,296)	153.01%

Statement of Activities

The Statement of Activities reports on the Agency's operating revenues and expenditures

Revenues

Property taxes for the current year only increased by a modest 4.3%. Property tax revenues going forward will reflect the enhanced value of the Clif Bar production facility becomes full assessed.

Expenses

In 2016 the Agency continued to be highly involved assisting with the infrastructure needs of another manufacturing facility relocating to Twin Falls, Clif Bar. Much of that activity is being inventoried.